

4. The value of property damage caused by a fire.

*HEA defines **value of property damage** as the estimated value of the loss of the structure and contents, in terms of the cost of replacement in like kind and quantity. This estimate should include contents damaged by fire, and related damages caused by smoke, water, and overhaul; however, it does not include indirect loss, such as business interruption.*

Disclose the value of property damage for **each** fire. Include the value of all property damage, even to property not owned or controlled by your institution. (If you want to make an *additional* disclosure to separate out institutional property damage and damage to the personal property of others, you may do so.) Your estimate for structural damage should be based on replacement value, not market value. Make sure to include the value of property destroyed during overhaul.

Overhaul is *the practice of searching a fire scene to detect hidden fires or sparks which may rekindle, and to note the possible point of origin and cause of ignition.*

Do not include any indirect losses. In addition to business interruption, indirect losses include the cost of

emergency housing, personnel costs associated with subsequent cleanup and restoration and lost tuition.

Use the following ranges listed in Value Ranges for Estimated Property Damage Due to Fire to report the value of property damage if you use estimates rather than actual amounts:

Figure 47. Value Ranges for Estimated Property Damage Due to Fire	
\$0 – 99	\$50, 000 – 99,999
\$100 – 999	\$100,000 – 249,999
\$1,000 – 9,999	\$250,000 – 499,999
\$10,000 – 24,999	\$500,000 – 999,999
\$25,000 – 49,999	>\$1,000,000

How to Determine the Value of Property Damage

Property damage can be determined by the property owner or an insurance adjuster. If there is no property damage—for example a brief fire in a trash can that only destroyed discarded cigarette butts—indicate that the damage was in the \$0–\$99 range.